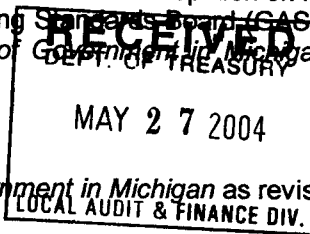


# AUDITING PROCEDURES REPORT

Issue under P.A. 2 of 1968, as amended. Filing is mandatory.

<b>Local Government Type</b> <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		<b>Local Government Name</b> Township of Wisner	<b>County</b> Tuscola
<b>Audit Date</b> March 31, 2004	<b>Opinion Date</b> April 29, 2004	<b>Date Accountant Report Submitted to State:</b> April 29, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.



We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |  |
|---|--|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during they year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).   |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

<b>Certified Public Accountant (Firm Name)</b> Campbell, Kusterer & Co., P.C.			
<b>Street Address</b> 512 N. Lincoln, Suite 100, P.O. Box 686	<b>City</b> Bay City	<b>State</b> MI	<b>Zip</b> 48707
<b>Accountant Signature</b> <i>Campbell, Kusterer &amp; Co., P.C.</i>			

TOWNSHIP OF WISNER  
Tuscola County, Michigan

<b>RECEIVED</b>	<b>GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION</b>
✓ MAY 27 2004	Year Ended March 31, 2004

TOWNSHIP OF WISNER  
Tuscola County, Michigan

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# CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MARK J. CAMPBELL, CPA  
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## INDEPENDENT AUDITOR'S REPORT

April 29, 2004

To the Township Board  
Township of Wisner  
Tuscola County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Wisner, Tuscola County, Michigan, as of March 31, 2004, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Wisner's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Wisner, Tuscola County, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Wisner, Tuscola County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Campbell, Kusterer & Co., P.C.*

CAMPBELL, KUSTERER & CO., P.C.  
Certified Public Accountants

TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 2004

EXHIBIT A

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Group</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	<u>General Fixed Assets</u>
<u>Assets</u>				
Cash in bank	118 496 55	84 646 66	1 00	-
Taxes receivable	9 940 86	-	-	-
Due from other funds	1 00	-	-	-
Land	-	-	-	16 506 00
Buildings	-	-	-	22 000 00
Equipment	-	-	-	16 594 16
Total Assets	<u>128 438 41</u>	<u>84 646 66</u>	<u>1 00</u>	<u>55 100 16</u>
<u>Liabilities</u>				
Due to other funds	-	-	1 00	-
<u>Fund Equity</u>				
Investment in general fixed assets	-	-	-	55 100 16
Fund balances:				
Unreserved:				
Undesignated	<u>128 438 41</u>	<u>84 646 66</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>128 438 41</u>	<u>84 646 66</u>	<u>-</u>	<u>55 100 16</u>
Total Liabilities and Fund Equity	<u>128 438 41</u>	<u>84 646 66</u>	<u>1 00</u>	<u>55 100 16</u>

The accompanying notes are an integral part of these financial statements.

Total  
(Memorandum  
Only)

---

203 144 21

9 940 86

1 00

16 506 00

22 000 00

---

16 594 16

---

268 186 23

---

1 00

55 100 16

---

213 085 07

---

268 185 23

---

268 186 23

TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES

Year Ended March 31, 2003

EXHIBIT B  
Page 1

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Revenues:			
Property taxes	27 716 04	69 597 35	97 313 39
State revenue sharing	57 517 00	-	57 517 00
Charges for services:			
Cemetery and dump fees	600 00	-	600 00
Tax collection	5 129 96	-	5 129 96
Interest	1 448 63	267 64	1 716 27
Miscellaneous	<u>4 705 56</u>	<u>-</u>	<u>4 705 56</u>
Total revenues	<u>97 117 19</u>	<u>69 864 99</u>	<u>166 982 18</u>
Expenditures:			
Legislative:			
Township Board	3 114 91	-	3 114 91
General government:			
Supervisor	5 482 20	-	5 482 20
Elections	336 00	-	336 00
Assessor	5 634 96	-	5 634 96
Clerk	5 541 06	-	5 541 06
Board of Review	400 00	-	400 00
Treasurer	5 315 70	-	5 315 70
Buildings and grounds	8 037 66	-	8 037 66
Cemetery	7 751 21	-	7 751 21
Public safety:			
Fire and ambulance protection	-	33 321 51	33 321 51
Planning and zoning	313 00	-	313 00
Public works:			
Highways and streets	10 545 77	34 689 77	45 235 54
Sanitation	1 147 00	-	1 147 00
Drains at large	18 297 87	-	18 297 87
Other:			
Insurance and bonds	<u>3 360 00</u>	<u>-</u>	<u>3 360 00</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES

EXHIBIT B  
Page 2

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>(Memorandum</u>
		<u>Revenue</u>	<u>Only)</u>
Total expenditures	<u>75 277 34</u>	<u>68 011 28</u>	<u>143 288 62</u>
Excess of revenues over expenditures	21 839 85	1 853 71	23 693 56
Fund balances, April 1	<u>106 598 56</u>	<u>82 792 95</u>	<u>189 391 51</u>
Fund Balances, March 31	<u>128 438 41</u>	<u>84 646 66</u>	<u>213 085 07</u>

The accompanying notes are an integral part of these financial statements.



TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
GENERAL AND SPECIAL REVENUE FUNDS

Year Ended March 31, 2004

EXHIBIT C  
Page 1

	General Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Property taxes	33 000 00	27 716 04	(5 283 96)
Nonbusiness licenses and permits	200 00	-	(200 00)
State revenue sharing	58 000 00	57 517 00	(483 00)
Charges for services:			
Cemetery and dump fees	400 00	600 00	200 00
Tax collection	3 500 00	5 129 96	1 629 96
Interest	600 00	1 448 63	848 63
Miscellaneous	<u>400 00</u>	<u>4 705 56</u>	<u>4 305 56</u>
Total revenues	<u>96 100 00</u>	<u>97 117 19</u>	<u>1 017 19</u>
Expenditures:			
Legislative:			
Township Board	3 550 00	3 114 91	(435 09)
General government:			
Supervisor	5 582 00	5 482 20	(99 80)
Elections	600 00	336 00	(264 00)
Assessor	5 635 00	5 634 96	(04)
Clerk	6 182 00	5 541 06	(640 94)
Board of Review	600 00	400 00	(200 00)
Treasurer	5 782 00	5 315 70	(466 30)
Building and grounds	14 900 00	8 037 66	(6 862 34)
Cemetery	14 500 00	7 751 21	(6 748 79)
Public safety:			
Fire and ambulance protection	-	-	-
Planning and zoning	750 00	313 00	(437 00)
Public works:			
Highways and streets	10 800 00	10 545 77	(254 23)
Sanitation	3 050 00	1 147 00	(1 903 00)
Drains at large	19 500 00	18 297 87	(1 202 13)
Other:			
Capital outlay	<u>4 500 00</u>	<u>3 360 00</u>	<u>(1 140 00)</u>
Total expenditures	<u>95 931 00</u>	<u>75 277 34</u>	<u>(20 653 66)</u>

The accompanying notes are an integral part of these financial statements.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
68 400 00	69 597 35	1 197 35
-	-	-
-	-	-
-	-	-
-	-	-
650 00	267 64	(382 36)
<u>25 000 00</u>	<u>-</u>	<u>(25 000 00)</u>
<u>94 050 00</u>	<u>69 864 99</u>	<u>(24 185 01)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
44 203 12	33 321 51	(10 881 61)
-	-	-
62 000 00	34 689 77	(27 310 23)
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>106 203 12</u>	<u>68 011 28</u>	<u>(38 191 84)</u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
GENERAL AND SPECIAL REVENUE FUNDS

Year Ended March 31, 2004

EXHIBIT C  
Page 2

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Excess (deficiency) of revenues over expenditures	169 00	21 839 85	21 670 85
Fund balances, April 1	<u>72 816 00</u>	<u>106 598 56</u>	<u>33 782 56</u>
Fund Balances, March 31	<u>72 985 00</u>	<u>128 438 41</u>	<u>55 453 41</u>

The accompanying notes are an integral part of these financial statements.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
(12 153 12)	1 853 71	14 006 83
<u>82 784 63</u>	<u>82 792 95</u>	<u>8 32</u>
<u>70 631 51</u>	<u>84 646 66</u>	<u>14 015 15</u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS  
March 31, 2004

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Wisner, Tuscola County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

In accordance with the provisions of the Governmental Accounting Standards Board's Statement No. 14 "The Financial Reporting Entity," the general purpose financial statements of the Township contain all the Township funds and account groups that are controlled by or dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Wisner. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Basis of Presentation

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Special Revenue Funds

These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

Account Group

TOWNSHIP OF WISNER  
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 – Summary of Significant Accounting Policies (continued)

General Fixed Assets Account Group

This account group presents the fixed assets of the local unit utilized in its general operations.

Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues and other financing sources and, expenditures and other financial uses in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual which is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due.

Revenues from local sources consist primarily of property taxes. Property taxes and revenues received from the State are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The Township 2003 tax roll millage rate was 5.1564 and the taxable value was \$18,873,858.00.

TOWNSHIP OF WISNER  
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 – Summary of Significant Accounting Policies (continued)

Fixed Assets

Purchases of fixed assets for all funds are recorded as expenditures in their respective funds at the time of purchase. They are also recorded at cost in the General Fixed Assets Group of Accounts as required by generally accepted accounting principles.

Investments

Investments are stated at market.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay and therefore no accumulated amount is recorded in the financial statements.

Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.

TOWNSHIP OF WISNER  
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS  
March 31, 2004

Note 1 – Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

Postemployment Benefits

The Township provides no postemployment benefits to past employees.

Note 2 – Interfund Receivables and Payables

The following is a summary of the interfund receivables and payables as of March 31, 2004:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	<u>1 00</u>	Current Tax Collection	<u>1 00</u>
Total	<u>1 00</u>	Total	<u>1 00</u>



TOWNSHIP OF WISNER  
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 3 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated two banks for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	<u>Carrying Amounts</u>
Total Deposits	<u>203 144 21</u>

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	<u>Bank Balances</u>
Insured (FDIC)	120 453 15
Uninsured and Uncollateralized	<u>82 931 44</u>
Total Deposits	<u>203 384 59</u>

The Township of Wisner did not have any investments as of March 31, 2004.

TOWNSHIP OF WISNER  
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 4 – Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
Land	16 506 00	-	-	16 506 00
Buildings	22 000 00	-	-	22 000 00
Equipment	<u>16 594 16</u>	<u>-</u>	<u>-</u>	<u>16 594 16</u>
Totals	<u>55 100 16</u>	<u>-</u>	<u>-</u>	<u>55 100 16</u>

Note 5 – Deferred Compensation Plan

The Township does not have a deferred compensation plan.

Note 6 – Pension Plan

The Township does not have a pension plan.

Note 7 – Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts, and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 – Building Permits

The Township of Wisner does not issue building permits. Building permits are issued by the County of Tuscola.

Note 9 – Total Columns on Combined Statements--Overview

The total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF WISNER  
Tuscola County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT  
Year Ended March 31, 2004

EXHIBIT D  
Page 1

Township Board:

Wages	2 494 00
Dues and miscellaneous	<u>620 91</u>
	<u>3 114 91</u>

Supervisor:

Salary	5 082 00
Mileage	<u>400 20</u>
	<u>5 482 20</u>

Elections:

Wages	<u>336 00</u>
-------	---------------

Assessor:

Salary	<u>5 634 96</u>
--------	-----------------

Clerk:

Salary	5 082 00
Deputy	280 00
Mileage	<u>179 06</u>
	<u>5 541 06</u>

Board of Review:

Wages	<u>400 00</u>
-------	---------------

Treasurer:

Salary	5 082 00
Deputy	129 50
Mileage	<u>104 20</u>
	<u>5 315 70</u>

Building and grounds:

Utilities	1 395 05
Payroll taxes	1 909 82
Supplies	2 233 96
Repairs and maintenance	318 55
Miscellaneous	<u>2 180 28</u>
	<u>8 037 66</u>

Cemetery:

Salary	7 450 58
Repairs and maintenance	<u>300 63</u>
	<u>7 751 21</u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT  
Year Ended March 31, 2004

EXHIBIT D  
Page 2

Planning and zoning:	
Wages	<u>313 00</u>
Highways and streets:	
Roads and ditches	9 856 05
Overhead lighting	<u>689 72</u>
	<u>10 545 77</u>
Sanitation:	
Wages	147 00
Contracted services	<u>1 000 00</u>
	<u>1 147 00</u>
Drains at large	<u>18 297 87</u>
Insurance	<u>3 360 00</u>
Total Expenditures	<u><u>75 277 34</u></u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINING BALANCE SHEET – ALL SPECIAL REVENUE FUNDS  
March 31, 2004

EXHIBIT E

	<u>Emergency Vehicle</u>	<u>Road</u>	<u>Fire and Ambulance</u>	<u>Total</u>
<u>Assets</u>				
Cash in bank	<u>15 903 19</u>	<u>40 200 19</u>	<u>28 543 28</u>	<u>84 646 66</u>
Total Assets	<u>15 903 19</u>	<u>40 200 19</u>	<u>28 543 28</u>	<u>84 646 66</u>
<u>Liabilities and Fund Balances</u>				
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Unreserved:				
Undesignated	<u>15 903 19</u>	<u>40 200 19</u>	<u>28 543 28</u>	<u>84 646 66</u>
Total fund balances	<u>15 903 19</u>	<u>40 200 19</u>	<u>28 543 28</u>	<u>84 646 66</u>
Total Liabilities and Fund Balances	<u>15 903 19</u>	<u>40 200 19</u>	<u>28 543 28</u>	<u>84 646 66</u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – ALL SPECIAL REVENUE FUNDS EXHIBIT F  
Year Ended March 31, 2004

	<u>Emergency Vehicle</u>	<u>Road</u>	<u>Fire and Ambulance</u>	<u>Total</u>
Revenues:				
Property taxes	14 036 49	37 160 74	18 400 12	69 597 35
Interest	<u>20 24</u>	<u>114 32</u>	<u>133 08</u>	<u>267 64</u>
Total revenues	<u>14 056 73</u>	<u>37 275 06</u>	<u>18 533 20</u>	<u>69 864 99</u>
Expenditures:				
Public safety:				
Fire and ambulance protection:				
Contracted services	11 964 98	-	21 356 53	33 321 51
Public works:				
Highways and streets:				
Contracted services	<u>-</u>	<u>34 689 77</u>	<u>-</u>	<u>34 689 77</u>
Total expenditures	<u>11 964 98</u>	<u>34 689 77</u>	<u>21 356 53</u>	<u>68 011 28</u>
Excess (deficiency) of revenues over expenditures	2 091 75	2 585 29	(2 823 33)	1 853 71
Fund balances, April 1	<u>13 811 44</u>	<u>37 614 90</u>	<u>31 366 61</u>	<u>82 792 95</u>
Fund Balances, March 31	<u>15 903 19</u>	<u>40 200 19</u>	<u>28 543 28</u>	<u>84 646 66</u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

CURRENT TAX COLLECTION FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
Year Ended March 31, 2004

EXHIBIT G

	<u>Balance</u> <u>4/1/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/04</u>
<u>Assets</u>				
Cash in Bank	<u>71 85</u>	<u>476 822 72</u>	<u>476 893 57</u>	<u>1 00</u>
<u>Liabilities</u>				
Due to other funds	71 85	93 907 99	93 978 84	1 00
Due to other taxing units	<u>-</u>	<u>382 914 73</u>	<u>382 914 73</u>	<u>-</u>
Total Liabilities	<u>71 85</u>	<u>476 822 72</u>	<u>476 893 57</u>	<u>1 00</u>

TOWNSHIP OF WISNER  
Tuscola County, Michigan

CURRENT TAX COLLECTION FUND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
Year Ended March 31, 2004

EXHIBIT H

Cash on hand and in bank – beginning of year	<u>71 85</u>
Cash receipts:	
Current property tax	471 785 27
Property tax administration fees	4 684 24
Interest	<u>353 21</u>
Total cash receipts	<u>476 822 72</u>
Total beginning balance and cash receipts	<u>476 894 57</u>
Cash disbursements:	
Township General Fund	24 381 49
Township Road Fund	37 160 74
Township Fire and Ambulance Fund	18 400 12
Township Emergency Vehicle Fund	14 036 49
Tuscola County	179 491 88
Unionville – Sebewaing Area Schools	68 463 98
Akron – Fairgrove Schools	55 969 87
Tuscola Intermediate School District	72 556 45
Fairgrove District Library	4 288 11
Refunds	<u>2 144 44</u>
Total cash disbursements	<u>476 893 57</u>
Cash on Hand and in Bank – End of Year	<u><u>1 00</u></u>

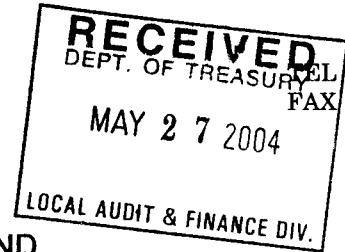


# **CAMPBELL, KUSTERER & CO., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

MARK J. CAMPBELL, CPA  
KENNETH P. KUSTERER, CPA

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P.O. BOX 686  
BAY CITY, MICHIGAN 48707



## **AUDIT COMMUNICATION AND REPORT OF COMMENTS AND RECOMMENDATIONS**

April 29, 2004

To the Township Board  
Township of Wisner  
Tuscola County, Michigan

We have audited the financial statements of the Township of Wisner, for the year ended March 31, 2004. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

### **AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES**

We conducted our audit of the financial statements of the Township of Wisner in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

To the Township Board  
Township of Wisner  
Tuscola County, Michigan

For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

An independent auditor's objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, "in our opinion."

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

### **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies are described in Note 1 to the financial statements.

### **OTHER COMMUNICATIONS**

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management's current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

To the Township Board  
Township of Wisner  
Tuscola County, Michigan

### **GASB 34 IMPLEMENTATION**

The Governmental Accounting Standards Board issued a new reporting model for governmental units which is to be implemented over the next few years. The implementation date of this pronouncement for the Township of Wisner will begin with the year ended March 31, 2004, and will need to be implemented fully by March 31, 2005. The daily operations and recording transactions should not change significantly, however, the Township will be required to maintain additional records for the year end adjustments to the final presentation format.

### **COMMENTS AND RECOMMENDATION REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY**

Our procedures disclosed the following conditions that we would like to bring to your attention:

#### **SEGREGATION OF DUTIES**

A separation of duties between persons who authorize transactions and persons who have control over the related assets does not always exist.

The least desirable accounting system is one in which an employee is responsible for executing the transaction and then recording the transaction from its origin to its ultimate posting in the General Ledger. This increases the likelihood that intentional or unintentional errors will go undetected. In most cases, adequate segregation of duties substantially increases control over errors without duplication of effort.

We understand that due to the size of needed staff, a proper segregation of duties may be impractical and the "cost to benefit" relationship may not justify the addition of accounting staff to accomplish the desired segregation.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Township's financial statements and this communication of these matters does not affect our report on the Township's financial statements, dated March 31, 2004.

### **SUMMARY**

We welcome any questions you may have regarding the foregoing comments and we would be happy to discuss any of these or other questions that you might have at your convenience.

Sincerely,

*Campbell, Kusterer & Co., P.C.*

CAMPBELL, KUSTERER & CO., P.C.  
Certified Public Accountants